



California

Dairy Review

A publication serving the California dairy industry for over 12 years

Volume 13 Issue 5

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Dairy Farmers Start Receiving MILC Payments In April . . .

Agriculture Secretary Vilsack Announces ^{May 2009} MILC Payments On Their Way To Dairy Farmers

Secretary of Agriculture Tom Vilsack announced that because of low dairy prices across the country, producers participating in USDA's Milk Income Loss Contract (MILC) program began to receive payments in April.

"President Obama understands that dairy farmers are struggling during these tough economic times," said Vilsack. "Today, as a result of low dairy prices, we are distributing MILC payments to ensure that dairy producers have the financial assistance they need. This action will also stimulate local economies," said Vilsack.

USDA makes MILC payments on a monthly basis when the Boston Class I milk price falls below \$16.94 per hundredweight as adjusted for feed costs. USDA determines the per hundredweight payment rate for the applicable month by subtracting the Boston Class I price for that month from the \$16.94 MILC payment trigger price, established in the 2008 Farm Bill, as adjusted for feed costs, and multiplying the difference by 45 percent. The monthly Boston price along with final MILC payment rates are posted online at: <http://www.fsa.usda.gov/FSA>

The MILC payment trigger price of \$16.94 is adjusted upward when the National Average Dairy Feed Ration Cost for a month is greater than \$7.35 per cwt. USDA's National Agricultural Statistics Service released the data for determining the Average Dairy Feed Ration Cost for the month of February on March 30, 2009. Using this information and the formula contained in the 2008 Act, the MILC payment trigger for the month of February was

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California Department of Food and Agriculture
A.G. Kawamura, Secretary

Production, Prices, Quota Transfers, Alfalfa

March Milk Production

USDA estimates U.S. milk production for March 2009 in the top 23 milk producing states at 15.2 billion pounds, down 0.2 percent from March 2008. Production per cow in the top 23 milk producing states averaged 1,788 pounds for March, 6 pounds below March 2008.

Quota Transfer Summary

Quota Transfers	Feb.	Mar.	Apr.
Number of Sellers	8	8	9
Pounds of SNF Quota Transferred	4,328	9,210	11,124
Average Price Per pound of SNF Quota	\$527	\$456	\$407

Minimum Class Prices

California Hundredweight Prices

Class	March	April	May
1 No. Calif.	\$11.13	\$11.58	\$12.68
o. Calif.	\$11.40	\$11.85	\$12.96
2 No. Calif.	\$10.27	\$ 9.96	\$ 9.96
o. Calif.	\$10.50	\$10.20	\$10.20
3	\$10.22	\$ 9.91	\$ 9.91
4a	\$ 9.67		
4b	\$10.45	N/A	N/A
		N/A	N/A

Commodity Prices Used in the Calculation of California Class 1 Milk Prices

Month	Chicago Mercantile Exchange		California Manufacturing Plants	Dairy Market News
	Grade AA Butter	Block Cheddar Cheese	Nonfat Dry Milk	Western Dry Whey
Dollars per Pound				
Jan.	\$1.1275	\$1.1178	\$0.8146	\$0.1500
Feb.	\$1.1008	\$1.1456	\$0.8106	\$0.1488
Mar.	\$1.1594	\$1.1900	\$0.8036	\$0.1644
Apr.	\$1.1870	\$1.2723	\$0.8069	\$0.2150
May				
June				
July				
Aug.				
Sept.				
Oct.				
Nov.				
Dec.				

Federal Order and California Minimum Class 1 Prices

Hundredweight Prices

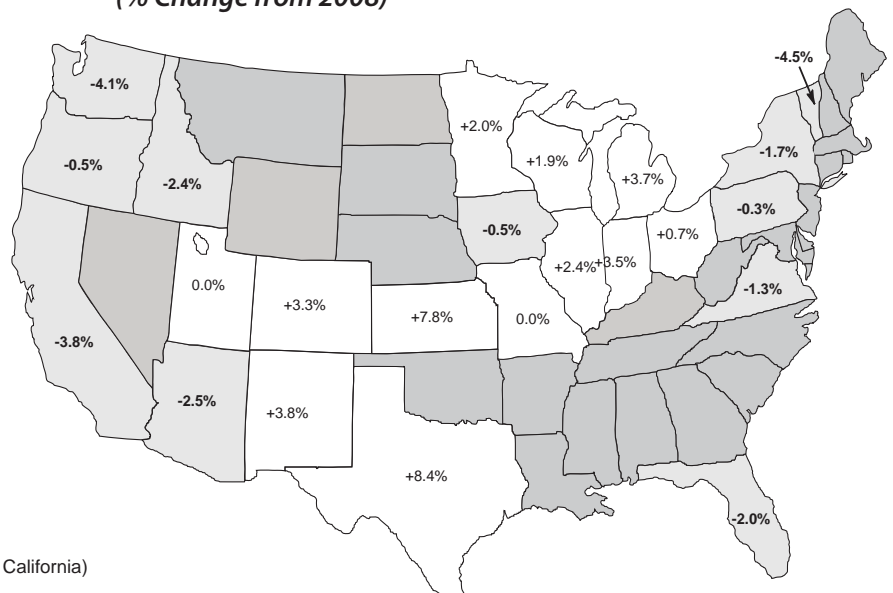
Regions	March	April	May
Phoenix, Arizona	\$11.78	\$12.71	\$13.32
Southern California	\$11.40	\$11.85	\$12.96
Portland, Oregon	\$11.33	\$12.26	\$12.87
Northern California	\$11.13	\$11.58	\$12.68
Boston (Northeast)	\$12.68	\$13.61	\$14.22

March Milk Production in the Top 23 States

(% Change from 2008)

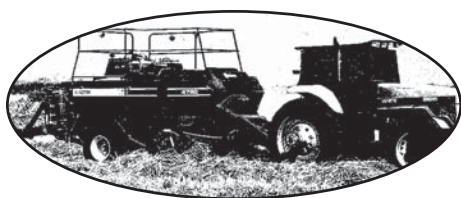
For the U.S. overall, comparing March 2009 to March 2008:

- U.S. Milk production during March was down 0.3%
- The number of cows on farms was 9.287 million head, down 8,000 head
- Production per cow averaged 1,768 pounds, 3 pounds less than March 2008
- Eleven of the top twenty-three milk producing states showed a decrease in milk production



As reported by USDA and CDFA (for California)

Premium Alfalfa Hay Prices / Alfalfa Sales - Reported Weekly



Alfalfa Hay Update

Northern California: As the weather is getting warmer, many producers are busy putting up rain damaged hay or getting started on first cutting hay.

Southern California: With winds having died down, producers are working to finish up their second cutting. There are some producers thinking about seeding after second cutting.

Premium Alfalfa Hay Statewide Average Prices Per Ton / Total Tons Sold or Delivered

Area	Apr. 3	Apr. 10	Apr. 17	Apr. 24	Monthly Low/High
Petaluma	N/A	N/A	N/A	N/A	N/A
North Valley ¹	\$150-165	\$145-155	\$145-150	N/A	\$145-\$165
South Valley ²	N/A	\$145-153	\$150-157	\$145-150	\$145-\$157
Chino Valley	N/A	\$145	\$143-150	\$145	\$143-\$150
Tons Sold³	32,775	49,729	29,570	44,502	
Tons Delivered⁴	13,300	23,881	22,450	25,475	

¹ North Valley is Escalon, Modesto and Turlock areas.

² South Valley is Tulare, Visalia and Hanford areas.

³ For current or future delivery.

⁴ Contracted or current sales.

Definition of premium Alfalfa Hay: Early maturity, i.e., pre-bloom in legumes and pre head in grass hays, extra leafy and fine stemmed-factors indicative of a high nutritive content. Hay is green and free of damage.

Source: USDA Market News, Moses Lake, Washington, (509) 765-3611, www.ams.usda.gov/LSMarketNews

California Weekly Feed Commodity Spot Prices, Delivered to the Dairy

AREA Tulare/Pixley	Almond Hulls	Canola	Distillers Dried Grains	Rolled Corn	Soybean Meal	Whole Cottonseed
Mar. 31	\$98.00	\$230.00	\$186.00	\$190.50	\$347.00	\$269.00
Apr. 07	\$91.00	\$233.00	\$188.00	\$187.00	\$357.00	\$269.00
Apr. 14	\$91.00	\$239.00	\$186.00	\$188.50	\$368.00	\$286.00
Apr. 21	\$91.00	\$261.00	\$184.00	\$182.00	\$380.00	\$306.00
Monthly Average	\$92.75	\$240.75	\$186.00	\$187.00	\$363.00	\$282.50

North Valley	Almond Hulls	Canola	Distillers Dried Grains	Rolled Corn	Soybean Meal	Whole Cottonseed
Mar. 31	\$97.00	\$230.00	\$186.00	\$199.50	\$347.00	\$269.00
Apr. 07	\$91.00	\$233.00	\$186.00	\$196.00	\$357.00	\$269.00
Apr. 14	\$91.00	\$239.00	\$186.00	\$197.50	\$368.00	\$286.00
Apr. 21	\$91.00	\$261.00	\$186.00	\$191.00	\$380.00	\$306.00
Monthly Average	\$92.50	\$240.75	\$186.00	\$196.00	\$363.00	\$282.50

Los Banos/Chowchilla	Almond Hulls	Canola	Distillers Dried Grains	Rolled Corn	Soybean Meal	Whole Cottonseed
Mar. 31	\$95.00	\$232.00	\$190.00	\$195.50	\$349.00	\$271.00
Apr. 07	\$93.00	\$235.00	\$190.00	\$192.00	\$359.00	\$271.00
Apr. 14	\$93.00	\$241.00	\$188.00	\$193.50	\$370.00	\$288.00
Apr. 21	\$93.00	\$263.00	\$188.00	\$187.00	\$382.00	\$308.00
Monthly Average	\$93.50	\$242.75	\$189.00	\$192.00	\$365.00	\$284.50

Milk Production Cost Comparison Summary for California *

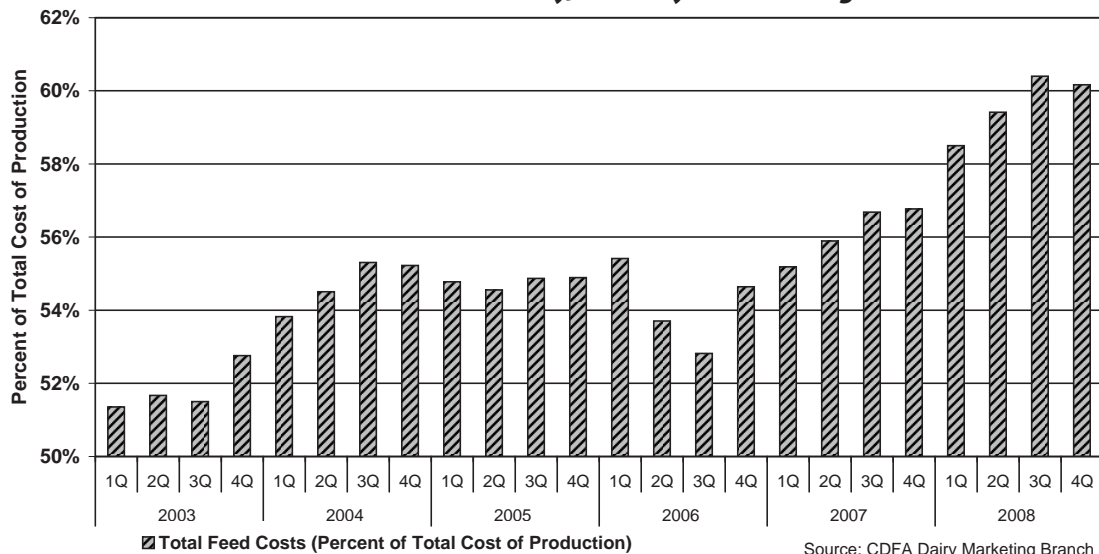
By Quarter, 2007-2008

Quarter	North Coast		North Valley		South Valley		Southern California		Statewide Weighted Average	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
	Dollars per Hundredweight									
1st Quarter										
Total Costs	17.52	19.74	13.33	15.14	13.16	15.31	13.17	15.44	13.31	15.34
Total Costs & Allowances*	19.27	21.97	14.86	16.98	14.76	17.17	14.55	17.07	14.87	17.31
2nd Quarter										
Total Costs	16.23	18.49	13.41	15.86	13.51	16.26	13.00	16.06	13.49	16.14
Total Costs & Allowances*	18.15	20.62	15.13	17.76	15.29	18.16	14.53	17.69	15.25	18.04
3rd Quarter										
Total Costs	17.12	20.52	13.62	16.68	14.20	17.38	13.76	17.13	14.01	17.17
Total Costs & Allowances*	19.24	22.74	15.51	18.67	16.24	19.46	15.52	18.93	15.98	19.21
4th Quarter										
Total Costs	19.01	22.08	14.93	17.08	15.04	17.39	14.46	16.62	15.03	17.33
Total Costs & Allowances*	21.21	24.71	16.84	19.32	17.05	19.65	16.23	18.56	14.97	19.58

* Includes an allowance for management and a return on investment

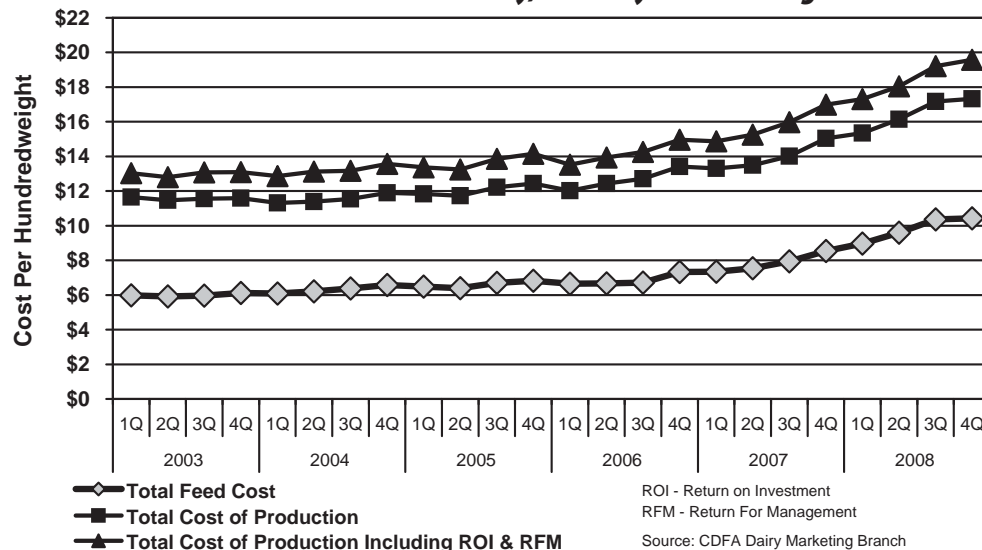
Total Feed Costs (Percent of Total Cost of Production)

Based on California Production Cost Survey, January 2003 through December 2008



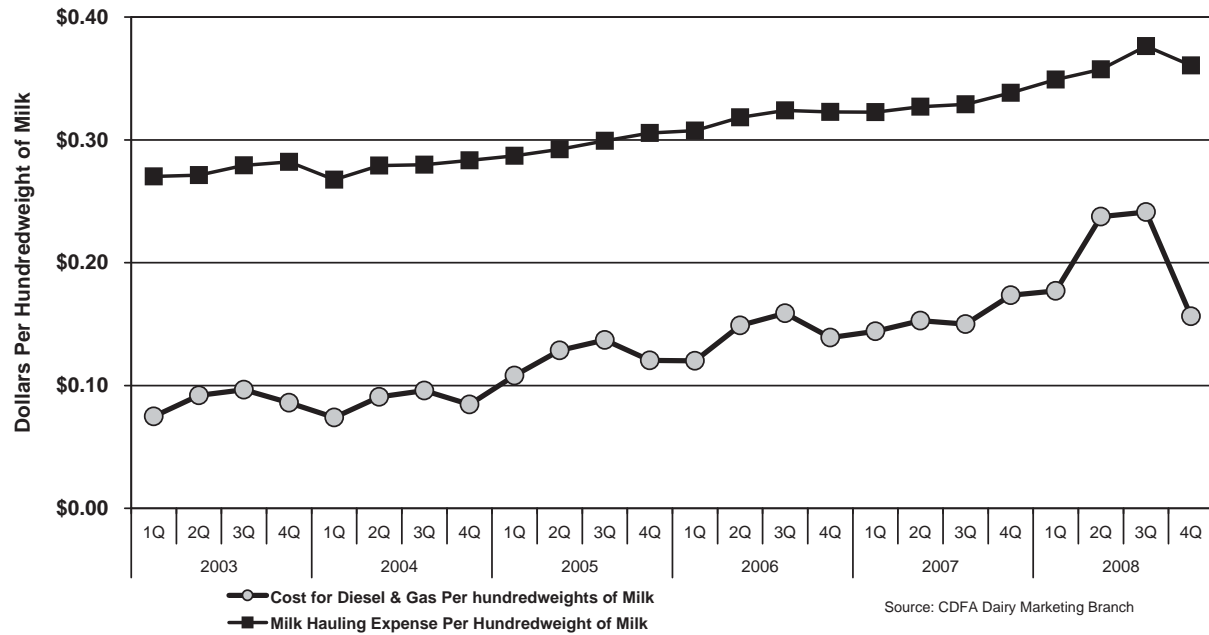
California Cost of Production, Total Feed Cost, by Quarter

Based on California Production Cost Survey, January 2003 through December 2008





Diesel, Gas, and Milk Hauling Costs, Per Hundredweight of Milk **Based on California Production Cost Survey, January 2003 through December 2008**



USDA Milk-Feed Ratio

The March ratio was 1.51, compared to a year ago, when it was 2.07, indicating higher profitability was experienced in 2008. The low ratio is caused in part by the lower milk prices.

Feed prices used to calculate the ratio decreased, compared to prices one year ago. The cost per ton of baled alfalfa hay fell to \$137 per ton, \$7 less than one year ago. Meanwhile, the corn price fell to \$3.96 per bushel, lower than last year's price of \$4.70 per bushel.

The price of soybeans decreased from \$9.55 to \$9.13 per bushel, a \$0.42 drop and much lower than last year's price of \$11.40 per bushel.

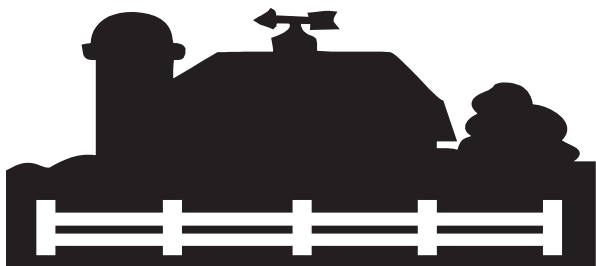
A ratio of 1.51 means that a dairy producer can buy 1.51 pounds of feed for every pound of milk sold. Whenever the ratio meets or exceeds 3.0, it is considered profitable to buy feed and produce milk.

USDA Expects Corn and Soybean Acres Remain Close to 2008 Levels

According to the Prospective Plantings report released by the National Agricultural Statistics Service (NASS), USDA expects that the total area planted to corn and soybeans nationwide will hold steady in 2009 but that the area planted to principal crops will decline by nearly 7.8 million acres. Farmers intend to plant 76 million acres to soybeans in 2009 which could be the largest planted area on record, just ahead of the 75.5 million acres planted last year. Increases of 100,000 acres or more are expected in Arkansas, Iowa, Kansas, Mississippi, Nebraska, North Carolina and North Dakota. The largest decreases in soybean acres are expected in Missouri and South Dakota, both down 150,000 acres from 2008.

Growers intend to plant 85 million acres of corn, down 1 percent from last year and down 9 percent from 2007. While lower corn prices and unstable input costs may have slowed corn planting somewhat, this would be the third-largest acreage since 1949, behind 2007 and 2008.

Wheat acreage is expected to decline 7 percent, to 58.6 million acres. Cotton plantings are also expected to be down 7 percent, to 8.8 million acres – the smallest area since 1983.



Questions from the Corral

The Dairy Marketing Branch is bringing back the "Questions from the Corral" question and answer section of the Dairy Review. As the dairy industry evolves and changes, questions arise and this is a way that dairy producers can ask the Department questions or ask for clarity on pricing issues, hearing decisions, etc. Please email your questions to kdapper@cdfa.ca.gov or dairy@cdfa.ca.gov; or fax your questions to (916) 341-6697.

Question:

It has been mentioned in recent dairy industry publications and meetings that the world trade of dairy products has been declining. Since the U.S. sells various dairy products to countries outside the U.S., what impact does this have on the volumes of dairy products we are exporting? Further, does this change in global trade also impact domestic markets?

Answer:

The current global economic and financial crisis has indeed changed trade trends throughout the world. The U.S., being an important player in the global dairy market for many years, is unfortunately not insulated against this downturn. As demand slows in an increasing number of countries due to worldwide economic recession, it reduces their thirst for international dairy products. What this means for the U.S. is a decreased demand for American products around the world. This trend has been apparent in the trade data as exports of cheese, butter, and powder (nonfat dry milk and skim milk powder) have been declining since last spring. The table below shows the volumes exported from the peak period in May 2008 to February 2009 (the latest period available).

**U.S. Exports of Dairy Products,
May 2008-February 2009 - In Million Pounds**

	Powder	Butter	Cheese
May-08	102	21	27
June-08	101	20	27
July-08	68	17	24
August-08	80	28	26
September-08	64	15	24
October-08	54	15	22
November-08	35	9	19
December-08	45	4	20
January-09	48	4	18
February-09	28	4	19

The decrease in the amount of dairy products being exported from the U.S. is significant when you compare the month of May 2008 to the month of February 2009: there were 74 million less pounds of powder, 17 million less pounds of butter and 8 million less pounds of cheese exported from the U. S. To give a better idea of what this represents in terms of milk produced, we can estimate how much raw milk components are needed to produce these dairy products. Assuming that one pound of milk solids not fat (SNF) yields one pound of powder, the U.S. exported the equivalent of 74 million less pounds of SNF in February 2009 compared to May 2008. For butter, a common assumption is that one pound of fat can yield about 1.2 pounds of butter. This means that the U.S. exported 13 million less pounds of milk fat in February 2009 compared with May 2008.

To give a better idea of what the decrease in cheese exports represents, we can also estimate how much raw milk is needed to produce exported cheese. Assuming one needs about 10 pounds of milk to produce 1 pound of cheese, this means that the U.S. exported 85 million less pounds of milk in February 2009 compared to May 2008.

The reduced exports equate to an important amount of milk production and affect the price of milk here in the U.S. As the worldwide decrease in demand for U.S. dairy products has decreased U.S. exports, the resulting effect is that the milk that was going to exports is now staying in the U.S. market and has to find an outlet in the domestic market. U.S. milk production has not decreased dramatically in response to the decreased exports or decreased consumer and retail demand. This situation of oversupply relative to demand, as a consequence, has contributed to downward pressure on the commodities that determine milk prices. Since the price of milk in California, Federal Orders, and unregulated areas of the country are all based on the price of commodities either directly or indirectly, milk prices for producers across the country have decreased dramatically.

CWT Announces Another Herd Retirement Round

Cooperatives Working Together (CWT) announced that it will conduct another herd retirement round. Bids are being accepted through Friday, May 1, 2009. This is the seventh herd retirement round since CWT began operations in the summer of 2003.

Jerry Kozak noted that, given the dramatic downturn in dairy economics in the past six months, CWT is anticipating a large number of bids. However, since the value of cows and heifers has dropped dramatically, the price level of bids accepted will be much lower than in recent years. As has been the case in recent herd retirement rounds, Kozak said CWT has no set target for the volume of milk or the number of cows to be removed.

"Dairy farmers hoping to have their bids accepted should fully recognize the competitive nature of the bidding process and be realistic in determining the value of their cows when preparing their bids," Kozak said. "Whether CWT will remove a significant number of dairy animals will depend on the number of bids received and the price level of those bids. CWT will not pay more for cows than what they are currently worth in the marketplace."

In addition to submitting bids for their milk herds, participating farmers will have the option of offering all of their bred heifers, at a flat price of \$700 per animal. In addition, there are two program rule changes in this round:

1. Members of CWT whose bids were accepted in a previous round may bid again in this round. This is a one time exception to the exclusion affecting prior participants in the program;
2. Producers whose bids are accepted in the next and future herd retirements will be paid in two installments: 90% of the amount bid times the producer's 12 months of milk production when it is verified that all cows have gone to slaughter, and the remaining 10% plus interest at the end of 12 months following the farm audit, IF both the producer and his dairy facility – whether owned or leased – do not become involved in the commercial production and marketing of milk during that period.

Detailed information can be found at www.cwt.coop, including bid forms, an interactive bid calculator to help estimate a farmer's bid, and answers to frequently asked questions. All bids must be postmarked by Friday, May 1, 2009, in order to be considered. All dairy producers submitting bids to sell their herds must be members of CWT effective January 2009, either through their membership in a fully participating cooperative, or as an independent member of CWT.

California Mare Tests Positive for Contagious Equine Metritis (CEM)

An Alert from CDFA . . .

A 12-year-old mare in California has tested positive for Contagious Equine Metritis (CEM), a highly contagious but treatable reproductive disease of horses. The positive mare was bred via artificial insemination using shipped semen collected from a CEM-positive stallion. The mare remains under quarantine while being treated for the disease. The mare is part of a disease investigation involving 45 states to identify horses with CEM. Exposure primarily occurs through natural breeding or artificial insemination by a horse infected with CEM.

CEM is a contagious bacterial infection spread between mares and stallions during mating or artificial insemination with infected semen. It can also be transmitted on contaminated breeding equipment. CEM is not known to infect other livestock or humans. Stallions infected with CEM do not exhibit any clinical symptoms, but infection in the mare can cause fertility problems. The disease is successfully treated with antibiotics.

As of February 17, 2009, a total of 11 stallions and three mares were confirmed infected in the United States. Three of the stallions are located in Indiana, four are in Kentucky, one is in Texas, and three are in Wisconsin. One mare is in Wisconsin, one in Illinois and one in California. Nationwide, approximately 580 horses have been identified to date that are considered exposed to horses with confirmed infection. Due to the difficulty in detecting active CEM infection, all horses that may have been exposed to the disease are cultured and treated to prevent further spread. The source of the outbreak has not been determined.

In California, CDFA veterinarians are working with private practitioners to test 35 mares that have been quarantined due to exposure to an infected stallion. The mares will be released from quarantine following blood tests, cultures and treatment. To date, only one of these 35 mares has been confirmed as CEM positive. The disease was previously detected in the United States in 1978, 1979 and 2006. In all instances, the limited outbreaks were quickly eradicated.

Additional National CEM Information
http://www.aphis.usda.gov/newsroom/hot_issues/cem/index.shtml

Additional California CEM Information
http://www.cdfa.ca.gov/AHFSS/Animal_Health/Contagious_Equine_Metritis.html

Summary of U.S. Dairy Exports

As reported by U.S. Dairy Export Council

U.S. dairy export volumes continued to trend lower in January, reflecting the slowdown in global dairy demand that began in the middle of 2008. Dairy exports dropped for the fifth straight month. Dairy exports for January were \$175.4 million, according to trade data released by USDA's Foreign Agricultural Service. This figure is down 46 percent from last year's level and the lowest figure in nearly two years. Exports of NDM/SMP in January were 21,936 tons, a drop of 32 percent from a year ago, but slightly higher than November and December's shipments. Large declines in U.S. sales to Mexico and China accounted for most of the January decline.

Cheese exports were down slightly from fourth-quarter 2008 levels. In January, exports were 8,309 tons, down 22 percent from last January. Exports to Japan, Korea and Middle East/North Africa declined, while shipments to Mexico increased.

Exports of whey proteins continue to lag year-ago levels, due to significant declines in shipments of whey protein concentrate. Shipments of dry whey were 14,197 tons, up 17 percent from a year ago and exports of whey protein isolate were 970 tons, up 15 percent. However, exports of whey protein concentrate were just 6,101 tons, down 45 percent. Total whey proteins export sales were 21,267 tons, down 12 percent from the previous January. Sales to Southeast Asia were off by about one third, offsetting a large gain in sales to Japan.

Fluid milk exports rebounded in January to 3.9 million liters, up 54 percent from prior year. Among other key products, in January:

Lactose, 13,399 tons, +3 percent

Whole milk powder, 1,753 tons, -38 percent

Ice cream, 1,048 tons, -15 percent.

Overall, exports were down to nearly all destinations. The value of shipments to China plunged 73 percent, sales to Southeast Asia dropped 52 percent and exports to Mexico declined by 38 percent. The only area that posted an increase was the Caribbean, where U.S. exports were up 31 percent.

Alfalfa In California

Seth Hoyt, agricultural economist and author of the Hoyt Report, expects farmers to take the first and second cuttings of alfalfa and then pull the stand out or let it go to seed, due to the water situation in California. Hoyt anticipates farmers with water to sublease land for other crops like tomatoes and cotton or make the switch to these crops themselves. Hoyt definitely expects to see fewer cuttings of alfalfa in California this year.

The Hoyt Report states that prices for alfalfa will probably rise by the end of summer or beginning of fall; however, this could be somewhat dependent upon milk prices.

The Ag Alert, a California agricultural newsletter, quoted Tim Larson, a diversified grower in Kings County as stating, "We're just one step short of a disaster here. I've already taken out about 160 acres of alfalfa and we're trying to figure out how to save our grapes and pistachios. We're looking at what else we can cut back, but after a while there's not much left."

Santee Dairies Acquired by Dean Foods

Jack H. Brown, Chairman, President and Chief Executive Officer of Stater Bros. Holdings, Inc. announced that the company's wholly owned subsidiary, Stater Bros. Markets, has agreed in principle to sell Santee Dairies to Dean Foods, to be finalized in the next few months.

Mr. Brown stated, "The future growth of Santee Dairies' products was limited because most potential customers are competing supermarket chains that already operate their own dairies and have been advised by their parent corporations not to purchase products, other than Knudsen fluid milk and Arnold Palmer Tee, from Santee Dairies, which they feel would help with the expansion of Stater Bros. Markets. At Stater Bros., we try to do the right thing...for the right reason. The right thing is to sell Santee Dairy to Dean Foods, America's largest dairy, to insure the continued growth of Santee. The right reason is to protect the future of the Santee 'Family' of Employees."

Dean Foods is the largest processor and distributor of milk and other dairy products in the U.S., selling products under more than 50 familiar local and regional brands. Dean Foods manufactures products in more than 100 facilities in 36 states and employs more than 26,000 people.

National Dairy Situation and Outlook – USDA Estimates

Milk Production

Monthly: Compared to March 2008, the overall milk production in the top 23 producing states across the U.S. was down 0.2% in March 2009; largest change was reported by Texas at 8.4% growth in milk production. USDA reports that California milk production was down 3.8% compared to March 2008. Among other western states, Arizona was down 2.5%; New Mexico was up 3.8%; and Washington was down 4.1%. Five of the top 10 states reported a production increase.

Quarterly: For the first quarter of 2009 compared to the fourth quarter of 2008, U.S. milk cow numbers dropped to 9.300 million, milk production per cow increased to 5,095 pounds; the net effect was increased milk production to 47.4 billion pounds. USDA projects that for the second quarter of 2009 compared to the first quarter of 2009, U.S. milk cow numbers will decrease to 9.240 million cows, production per cow will increase to 5,260 pounds; the net effect would be increased milk production to 48.6 billion pounds.

Milk Prices

Comparing the first quarter of 2009 to the fourth quarter of 2008, U.S. average all-milk prices went down to \$12.13/cwt. USDA projects that for the second quarter of 2009, U.S. average all-milk prices will be \$11.25-11.65/cwt.; Class 4b prices will be \$10.34-10.74/cwt.; and Class 4a prices will be \$9.60-10.10/cwt.

Utility Cow Prices

Comparing the first quarter of 2009 to the fourth quarter of 2008, average U.S. utility cow prices went down by \$0.28/cwt. to a national average of \$46.42/cwt. USDA projects that utility cow prices will average \$44-46 in the second quarter of 2009.

Information from the USDA-NASS publication "Milk Production" and the USDA-ERS publication: "Livestock, Dairy, and Poultry Outlook."

MILC Payments - Continued from Page 1

been adjusted to \$17.33, for a final MILC payment rate of \$1.5132. In April, USDA expected to issue approximately \$150 million to dairy producers for milk produced in February.

USDA's Agricultural Marketing Service announced the Boston Class I price for the month of March on Feb. 20, 2009 and for the month of April on March 20, 2009. In both instances, the Boston Class I price was below the MILC payment trigger price of \$16.94 per cwt. USDA expects to issue MILC payments on milk produced in March in early May and MILC payments on milk produced in April in early June, after USDA has adjusted the MILC payment trigger price for feed costs and determined the final payment rate for those months. MILC payments may also be triggered in future months if the MILC payment trigger price is below \$16.94 per cwt.

FSA makes payments up to the maximum eligible pounds of milk produced and marketed by each operation per fiscal year. The annual maximum eligible pound limit per dairy operation is 2,985,000 pounds per fiscal year. For more information about the MILC program, please visit your FSA county office or <http://www.fsa.usda.gov>.

Extended Deadline for Disaster Assistance

CDFA Secretary A.G. Kawamura reminds California farmers who suffered agricultural losses in 2008 that the deadline for several disaster assistance programs has been extended to May 18, 2009. "Farmers in California always seem to find a way to put food on the nation's tables despite fires, floods, drought and other natural disasters," said Kawamura. "Those farms and ranches hit hardest by Mother Nature in 2008 may be eligible for federal assistance, and the deadline to qualify has been extended to May 18."

The Food, Conservation and Energy Act of 2008 authorized several disaster assistance programs including the Supplemental Revenue Assistance Program (SURE), the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish (ELAP), and the Tree Assistance Program (TAP). Producers who did not have crop insurance or Non-insured Crop Disaster Assistance Program (NAP) coverage for 2008 can pay a buy-in fee to become eligible for assistance—but they must do so by May 18. Details about these programs and the application process are available online at www.fsa.usda.gov/ca.

Pool Prices

Month	Quota	Overbase
October '07	\$21.16	\$19.46
November	\$21.93	\$20.23
December	\$20.79	\$19.09
January '08	\$19.14	\$17.44
February	\$18.42	\$16.72
March	\$17.71	\$16.01
April	\$17.56	\$15.86
May	\$18.47	\$16.77
June	\$19.12	\$17.42
July	\$19.05	\$17.35
August	\$18.01	\$16.31
September	\$17.92	\$16.22
October	\$17.14	\$15.44
November	\$15.97	\$14.27
December	\$14.11	\$12.41
January '09	\$12.10	\$10.40
February	\$11.28	\$ 9.58
March	\$11.54	\$ 9.84

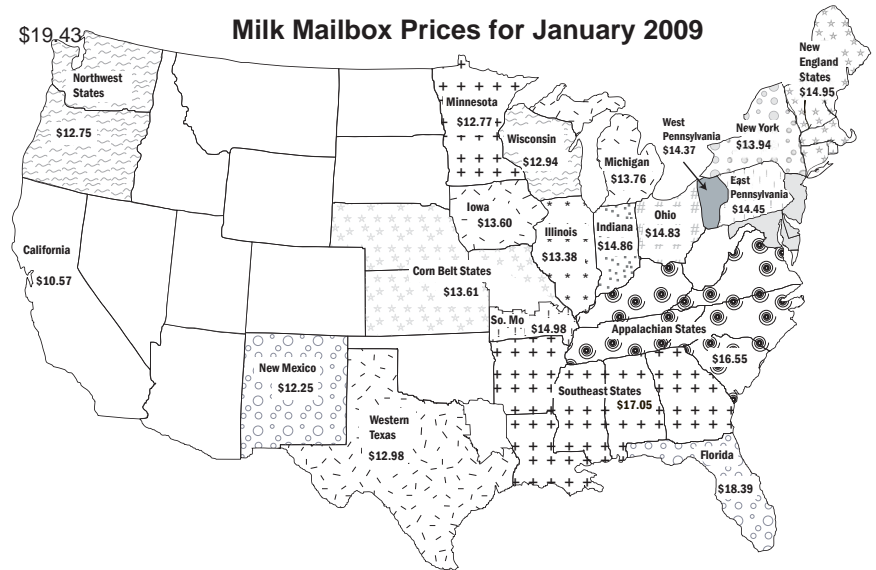
Milk Mailbox Prices

Milk Mailbox Prices in Dollars per Hundredweight

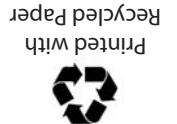
	July	August	September	October	November	December	January 09
California ¹	\$17.19	\$16.25	\$16.29	\$15.75	\$14.67	\$12.83	\$10.57
USDA ²		\$18.58	\$18.25	\$17.94	\$17.42	\$16.12	\$13.77

¹ California mailbox price calculated by CDFA.

² All federal milk market order weighted average, as calculated by USDA.



In January 2009, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$13.77 per cwt., down \$2.01 from the revised previous month average, and down \$6.93 from January 2008. The component tests of producer milk in January 2009 were: butterfat, 3.77%; protein, 3.12%; and other solids, 5.70%. On an individual reporting area basis, mailbox prices decreased in all Federal milk order reporting areas, and ranged from \$18.39 in Florida to \$12.25 in New Mexico.



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The California Department of Food and Agriculture Dairy Marketing Branch publishes the California Dairy Review monthly. Please direct any comments or subscription requests to Karen Dapper at (916) 341-5988 or send an email to dairy@cdfa.ca.gov

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